



COMMITTEE ON  
**WAYS & MEANS**  
REPUBLICANS

## With Inflation at 40 Year High, American Families Can't Afford \$4 Trillion Tax & Spending Bill

### *Real Wages Sinking at Fastest Rate Since Financial Crisis*

**If inflation persists at the current rate, households will lose \$1,755 in real wages by the end of President Biden's first year in office.**

- During October, inflation increased by an annualized 11.9 percent - a rate not seen since near the height of stagflation in 1980.
- Seven out of the last nine full months President Biden has been in office, workers' real wages declined.
- Experts at Moody's Analytics, the White House's favored economic forecaster, say that [families are spending at least \\$175 more per month on food](#), fuel, and housing.

### **Democrats' tax increases and endless spending will worsen the deficit and inflation.**

- Families should brace for higher prices for a decade due to President Biden's spending binge. According to Moody's, consumer prices will rise 2.24 percent higher after the Biden infrastructure, American Rescue Plan, and Build Back Better spending than in a Biden-free economy.
- President Biden's tax-hikes and spending reconciliation bill could cost up to \$4 trillion according to the Penn Wharton budget model.
- The bill will make the labor shortage, with a potential 2 million workers exiting the workforce.
- The bill includes the largest expansion of the welfare state in our lifetimes that discourages workers from reconnecting with work by providing a cash-for-kids welfare subsidy and provides workers with more affordable health care to stay home than at work.
- In October, a top Federal Reserve official [warned](#) of growing risks of inflation, including from additional government spending being contemplated by the Biden administration.
- Even former economic advisers to the Obama-Biden White House have warned about inflation, including former Treasury Secretary Larry Summers, and former Chairman of the Council of Economic Advisers, Jason Furman.
- With more than 10 million job openings and inflation rising, the country can't afford to relegate an entire generation of workers to the sidelines.

### **President Biden's so-called stimulus has failed to deliver on his promises.**

- The President is over 700,000 jobs short of his promises from the nearly \$2 trillion American Rescue Plan in March.
- Analysis from the Federal Reserve Bank of San Francisco [confirmed](#) that Democrats' spending earlier this year boosted [Bidenflation](#).

### **Americans are increasingly worried about inflation.**

- Inflation as an issue is now tied with Covid as Americans' main concern.
- Nearly half of Americans see a recession ahead in the next year.
- Americans have lost confidence in the President's competency to heal this economy.